

OKLAHOMA CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
P.O. BOX 52000
OKLAHOMA CITY, OK 73152-2000
(Rule 165:10-3-1)

API NUMBER: 017 25406

Approval Date: 02/28/2019

Expiration Date: 08/28/2020

Horizontal Hole Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Sec: 29 Twp: 12N Rge: 10W

County: CANADIAN

SPOT LOCATION:

FEET FROM QUARTER: FROM NORTH FROM WEST

SECTION LINES: 250 1490

Lease Name: GARRISON

Well No: 1H-29-32

Well will be 250 feet from nearest unit or lease boundary.

Operator Name: CITIZEN ENERGY III LLC

Telephone: 9189494680

OTC/OCC Number: 24120 0

CITIZEN ENERGY III LLC
320 S BOSTON AVE STE 900
TULSA, OK 74103-3729

SANDY D. GARRISON
17187 CR 1060
HINTON OK 73047

Formation(s) (Permit Valid for Listed Formations Only):

| Name | Depth | Name | Depth |
|-----------------|-------|------|-------|
| 1 MISSISSIPPIAN | 13900 | 6 | |
| 2 | | 7 | |
| 3 | | 8 | |
| 4 | | 9 | |
| 5 | | 10 | |

Spacing Orders: 691819

Location Exception Orders:

Increased Density Orders:

Pending CD Numbers: 201900103

Special Orders:

Total Depth: 24080

Ground Elevation: 1473

Surface Casing: 1500

Depth to base of Treatable Water-Bearing FM: 150

Under Federal Jurisdiction: No

Fresh Water Supply Well Drilled: No

Surface Water used to Drill: Yes

PIT 1 INFORMATION

Approved Method for disposal of Drilling Fluids:

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 8000 Average: 5000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: MARLOW

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 18-35857

H. SEE MEMO

This permit does not address the right of entry or settlement of surface damages.

The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.

Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 200000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit is located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is BED AQUIFER

Pit Location Formation: MARLOW

HORIZONTAL HOLE 1

Sec 32 Twp 12N Rge 10W County CANADIAN

Spot Location of End Point: SW SW SE SW

Feet From: SOUTH 1/4 Section Line: 165

Feet From: WEST 1/4 Section Line: 1450

Depth of Deviation: 13325

Radius of Turn: 365

Direction: 181

Total Length: 10182

Measured Total Depth: 24080

True Vertical Depth: 13900

End Point Location from Lease,
Unit, or Property Line: 165

| Additional Surface Owner | Address | City, State, Zip |
|--------------------------|---------------|------------------|
| SANDY D. GARRISON | 17187 CR 1060 | HINTON, OK 73047 |

Notes:

Category

Description

DEEP SURFACE CASING

1/30/2019 - G71 - APPROVED; NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING

HYDRAULIC FRACTURING

1/30/2019 - G71 - OCC 165:10-3-10 REQUIRES:

1) PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS FOR HORIZONTAL WELLS, NOTICE GIVEN FIVE BUSINESS DAYS IN ADVANCE TO OFFSET OPERATORS WITH WELLS COMPLETED IN THE SAME COMMON SOURCE OF SUPPLY WITHIN 1/2 MILE;

2) WITH NOTICE ALSO GIVEN 48 HOURS IN ADVANCE OF HYDRAULIC FRACTURING ALL WELLS TO BOTH THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES, USING THE "FRAC NOTICE FORM" FOUND AT THE FOLLOWING LINK: OCCWEB.COM/OG/OGFORMS.HTML; AND,

3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION THE HYDRAULIC FRACTURING OPERATIONS, USING THE FOLLOWING LINK: FRACFOCUS.ORG

MEMO

1/30/2019 - G71 - PITS 1 & 2 - CLOSED SYSTEM=STEEL PITS PER OPERATOR REQUEST, PIT 2 - OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT

This permit does not address the right of entry or settlement of surface damages.

017 25406 GARRISON 1H-29-32

The duration of this permit is SIX MONTHS, except as otherwise provided by Rule 165: 10-3-1.

Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

| Category | Description |
|------------------------|---|
| PENDING CD - 201900103 | 2/28/2019 - G56 - (I.O.) 29 & 32-12N-10W X691819 MSSP COMPL INT (29-12N-10W) NCT 165' FNL, NCT 0' FSL, NCT 660' FWL COMPL INT (32-12N-10W) NCT 0' FNL, NCT 165' FSL, NCT 660' FEL*** CITIZEN ENERGY III, LLC REC 1/28/2019 (JOHNSON) |
| SPACING - 691819 | ***S/B 660' FWL, WILL BE CORRECTED AT HEARING PER ATTORNEY FOR OPERATOR 2/28/2019 - G56 - (1280)(HOR) 29 & 32-12N-10W VAC 91807 CSTR EST MSSP POE TO BHL NCT 660' FB |



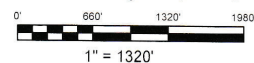
Well Location Plat

S.H.L. Sec. 29-12N-10W I.M.
B.H.L. Sec. 32-12N-10W I.M.

Operator: CITIZEN ENERGY, LLC
Lease Name and No.: GARRISON 1H-29-32
Footage: 250' FNL - 1490' FWL Gr. Elevation: 1473'
Section: 29 Township: 12N Range: 10W I.M.
County: Canadian State of Oklahoma
Terrain at Loc.: Location fell in a moderately steep cattle pasture.



All bearings shown
are grid bearings.



GPS DATUM

NAD 83

NAD 27

OK NORTH ZONE

Surface Hole Loc.:
Lat: 35°29'31.20"N
Lon: 98°17'02.52"W
Lat: 35.49199985
Lon: -98.28403418
X: 1883943
Y: 179222

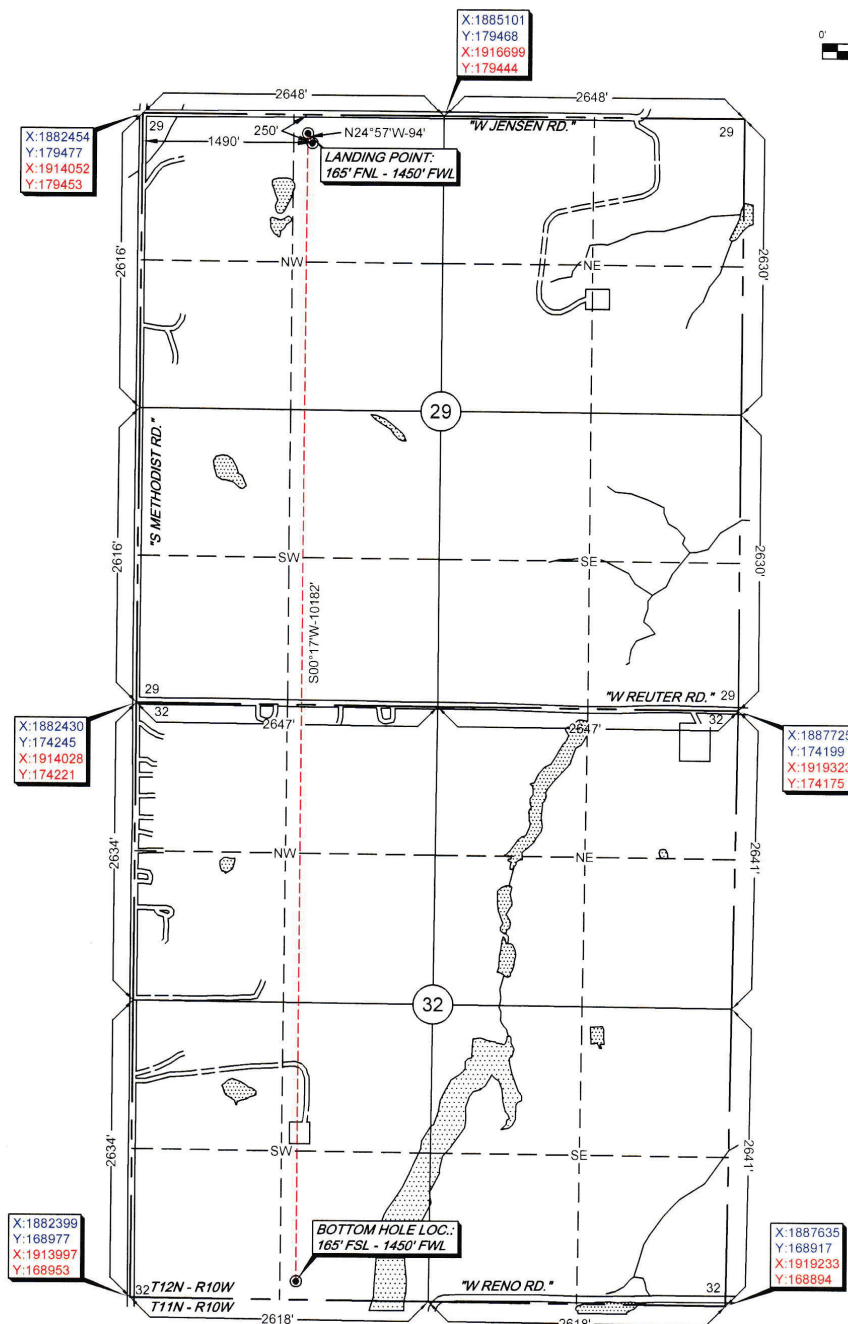
Surface Hole Loc.:
Lat: 35°29'31.01"N
Lon: 98°17'01.31"W
Lat: 35.49194788
Lon: 98.28369775
X: 1915541
Y: 179198

Landing Point:
Lat: 35°29'32.04"N
Lon: 98°17'03.01"W
Lat: 35.49223340
Lon: -98.28416807
X: 1883903
Y: 179307

Landing Point:
Lat: 35°29'31.85"N
Lon: 98°17'01.79"W
Lat: 35.49218144
Lon: -98.28383162
X: 1915500
Y: 179283

Bottom Hole Loc.:
Lat: 35°27'51.35"N
Lon: 98°17'03.29"W
Lat: 35.46426293
Lon: -98.28424667
X: 1883850
Y: 169125

Bottom Hole Loc.:
Lat: 35°27'51.16"N
Lon: 98°17'02.08"W
Lat: 35.46421022
Lon: -98.28391075
X: 1915448
Y: 169101



-Please note that this location was staked on the ground under the supervision of a Licensed Professional Land Surveyor, but the accuracy of this survey is not guaranteed. Please contact Arkoma Surveying and Mapping promptly if any inconsistency is determined. GPS data is observed from RTK - GPS.
-NOTE: X and Y data shown hereon for Section Corners may NOT have been surveyed on-the-ground, and further, does NOT represent a true Boundary Survey.
-Quarter Section distances may be assumed from a Government Survey Plat or assumed at a proportionate distance from opposing section corners, or occupation thereof, and may not have been measured on-the-ground, and further, does not represent a true boundary survey.

Survey and plat by:
Arkoma Surveying and Mapping, PLLC
P.O. Box 238 Wilburton, OK 74578
Ph. 918-465-5711 Fax 918-465-5030
Certificate of Authorization No. 5348
Expires June 30, 2020

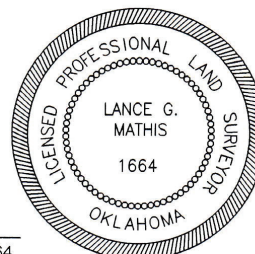
Certification:

This is to certify that this Well Location Plat represents the results of a survey made on the ground performed under the supervision of the undersigned.

Lance G. Mathis
LANCE G. MATHIS

10/29/18

OK LPLS 1664



Invoice #8215-A

Date Staked: 10/22/18 By: Z.D.
Date Drawn: 10/24/18 By: D.B.